

~~SECRET~~

Approved For Release 2002/09/04 : CIA-RDP81-00706R000300110034-7

Office Memorandum • UNITED STATES GOVERNMENT

TO : Assistant Director for Operations**DATE:** 8 September 1952**FROM** : Chief, Foreign Documents Division**SUBJECT:** Intelligence Deficiencies Revealed in SE-27, Comments on**REF** : Memorandum of DCI, Same subject dated 13 August 1952

1. Present Production of Economic Information on China

a. In fulfillment of continuing guide requirements from OCI, ORR and OIR/State, FDD has published regularly 1) a listing of shipping schedules (and shipping information) to and from Communist China. From February to October 1951 these were reported only to OCI on a weekly basis. Since October 1951, twenty-two such reports have been published; 2) reports on southeast Asia trade: thirty eight reports since September 1951; 3) railroad construction and repair: 25 reports during 1951; 4) agriculture and forestry: 43 reports in 1951; 5) fuels and metals: 13 reports in 1951; general economics and industry: 63 reports in 1951.

The above were for the most part collated reports resulting from exploitation of newspapers and periodicals.

b. In addition to the above, about 3,500 pages of translations were produced for the IAC Agencies during 1951.

2. Potential Economic Information in Chinese Language Sources

There is no absolute estimate of how much economic information is available in Chinese language documents. Also, there is no consistency in the procurement of source materials. Below are stated the types of information generally available - state secrecy law notwithstanding, and also a statement on procurement.

Reporting on agriculture is voluminous. Provincial newspapers report local agricultural plans and progress and failures; national, regional, and provincial directives appear, programs for planting, cultivation, pest control and harvesting are constantly reported; prominent coverage is given to water conservation projects and developments; frequent mention is made of Soviet technical aid, machinery and scientific agricultural methods; afforestation programs are given wide coverage, especially afforestation programs for the northeast and east China.

Reporting on industry is generally confined to local coverage. There is abundant information on the production of single shops and factories; less is published on quota and attainments of large areas such as regions.

~~SECRET~~

Approved For Release 2002/09/04 : CIA-RDP81-00706R000300110034-7

SECRET

Transportation and telecommunication is given less coverage than they were two years ago; this is especially true of telecommunications; nevertheless, year end reports of high officials give some information on general developments; isolated reports on construction, maintenance, etc. appear; there are some reports on accidents, sabotage, repairs, new constructions, time tables, rates; shipping data is available from the Hong Kong and overseas Chinese press.

Specialized periodicals give some good research information, when the periodicals are available.

Procurement:

FDD has received only scattered issues of periodicals (which are still published) since the beginning of 1951. Many such publications are in existence, covering most phases of economy (textiles, engineering, chemicals, finances, electricity, machine manufacturing, commerce, steel, etc.)

Newspaper procurement is average. 34 titles are received, covering 12 of the 30-34 provinces of China. Informational coverage would be considerably improved by receipt of source material from northwest and southwest China and the provinces of Kwangsi and Hunan in central-south China.

3. FDD Capability to Improve Economic Coverage

FDD with present personnel will be able to maintain the present coverage of economic data on China.

Improved coverage of those items of deficiency in SE-27 can be made in two ways.

(1) More specific and priority requirements from those components of the IAC responsible for covering these deficiencies. This would enable FDD to cease activity on non-priority data and give more depth coverage to the deficiency data.

(2) Additional personnel for exploitation of Chinese source material.

Improvement in procurement of source material is an A priority requirement for any vast improvement in coverage.

25X1A

**SECRET**